Government of Saskatchewan

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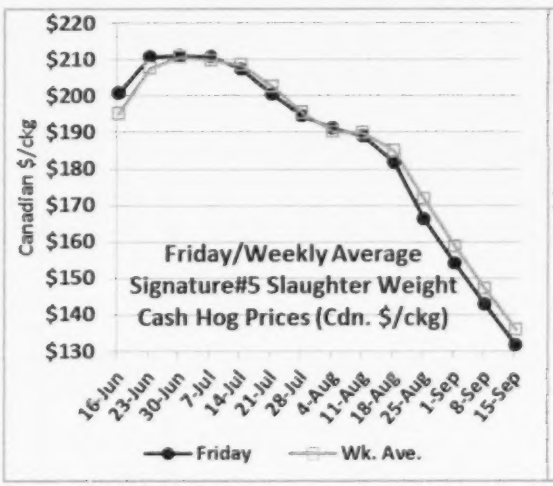
Weekly Hog Report

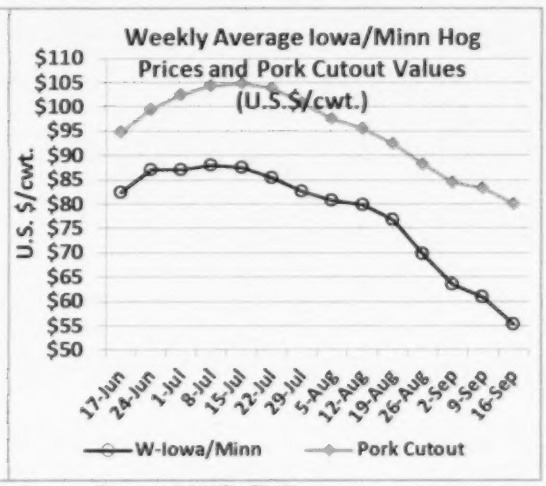
September 18, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) continued lower last week to end the week down, week-over- week. Hog prices on Friday September 15 averaged US$53.48 per cwt, down US$5.14 per cwt or 8.8 per cent from US$58.62 per cwt the previous Friday. The negotiated weekly base price last week averaged US$55.35 per cwt, down US$5.56 per cwt from US$60.91 per cwt the previous week. Slaughter weight hogs prices continued lower on seasonal weakness.



Source: HAMS Marketing

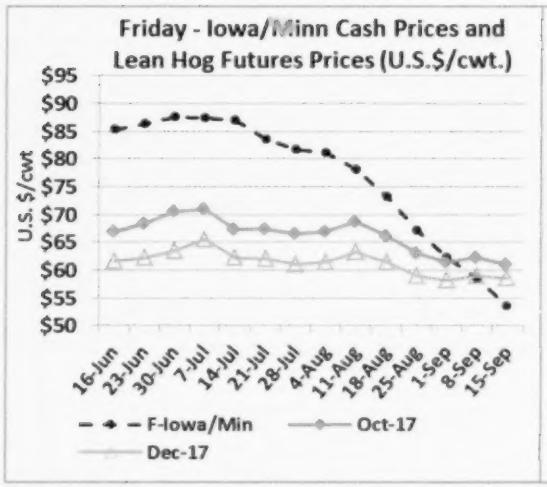


Source: LMIC, CME

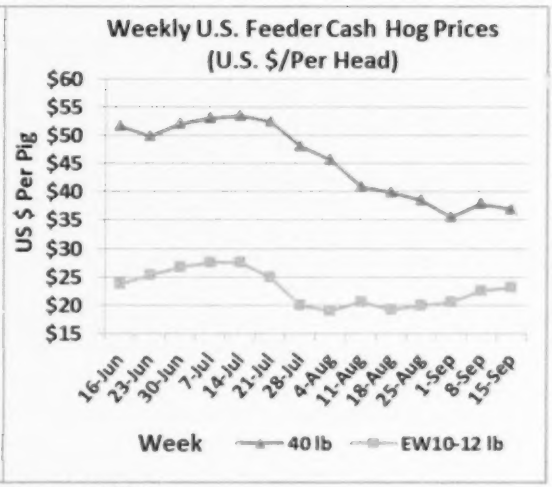
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday September 15, 2017 was $131.71 per ckg, down $11.07 per ckg or 7.7 per cent from $142.78 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $135.89 per ckg, down $11.21 per ckg or 7.6 per cent from the previous weeks' average price of $147.10 per ckg. The Canadian dollar slipped over the week. The Canadian dollar compared to the U.S. dollar settled last Friday at 82.09 cents, down 0.34 cents from 82.43 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily lower last week but had good gains on Friday to minimize losses, week-over-week. The October lean hog futures contract declined US$1.175 per cwt or 1.9 per cent to settle last Friday at US$60.975 per cwt; while the December contract declined US$0.575 per cwt to settle last Friday at US$58.475 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$23.10 per head, up US$0.56 per head or 2.5 per cent from US$22.54 per head the previous week. Feeders (40lb) averaged US$36.96 per head, down US$0.90 per head or 2.4 per cent from US$37.86 per head, the previous week.

Iowa cash corn prices settled last Friday at US$3.06 per bushel, unchanged from US$3.06 per bushel the previous Friday. Daily corn futures were mixed last week but had more losses than gains to help corn futures edge lower, weak-over-week. The September corn contract declined 2½ cents per bushel to expire Friday at US$3.41 ¾ per bushel. The December corn contract declined two cents to settle Friday at 3.54 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 16 were estimated at 2.432 million head, up 12.1 per cent from 2.170 million head the previous shorter week (U.S. Labor Day) week, and up 2.7 per cent from 2.369 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.316 million head, up 3.1 per cent from 2.246 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter (Labor Day) week ending September 9, 2017 were estimated at 366,413 head, down 12.7 per cent from 419,517 head the previous week, but up 3.4 per cent from 354,332 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 405,280 head, up 1.9 per cent from 397,775 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 14,799,952 head, up 2.0 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending September 16, 2017 was estimated at 505.7 million lb., up 12.3 per cent from 450.2 million lb. the previous shorter week, and up 2.0 per cent from 495.7 million lb. the same week a year ago. Pork production over the last four week's ending September 16 was estimated to average 481.7 million lb., up 3.3 per cent from 466.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 16 was estimated at 526.2 million lb., up 15.9 per cent from 454.0 million lb. the previous shorter week, and up 3.0 per cent from 510.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 9, 2017, was estimated to average 2.091 billion lb., up 1.9 per cent from 2.052 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Sept. 9) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	461.3	476.5	3.3%	2.8%
Beef	486.9	503.5	3.4%	4.4%
Chicken	974.3	982.3	0.8%	1.0%
Turkey	129.0	128.8	-0.2%	0.2%
Total	**2,051.5**	**2,091.1**	**1.93%**	**2.13%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 16, 2017 averaged US$79.95 per cwt, down US$3.37 per cwt or 4.0 per cent from US$83.32 per cwt the previous week, and down 1.3 per cent from US$81.01 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending September 16, 2017 averaged US$191.03 per cwt, down US$1.32 per cwt or 0.7 per cent from US$192.35 per cwt the previous week, but up 2.4 per cent from US$186.48 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending September 16, 2017 averaged US$136.50 per cwt, down US$7.52 per cwt or 5.2 per cent from US$144.02 per cwt the previous week, but up 1.6 per cent from US$134.30 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

The USDA released the September World Agricultural Supply and Demand Estimates (WASDE) on September 12th. The September USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates 0.3 per cent lower to 100.449 billion lb., from 100.743 billion lb. in the August estimates, but still a 2.9 per cent increase from 97.612 billion lb. produced in 2016. The September pork production estimates for 2017 were estimated at 25.841 billion lb., up slightly from the August estimates, but overall 3.6 per cent higher than 2016 U.S. pork production.

USDA September World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Annual**	**25,221**	**24,941**	**40,695**	**5,981**	**97,612**
% Chg.	**2015-2016**	**6.43%**	**1.80%**	**1.62%**	**6.29%**	**3.15%**
2017	Aug. Proj.	26,699	25,806	41,488	5,983	100,743
2017	**Sept. Proj.**	**26,559**	**25,841**	**41,290**	**5,998**	**100,449**
% Chg.	Aug. to Sept.	-0.52%	0.14%	-0.48%	0.25%	-0.29%
% Chg.	**2016 to 2017**	**5.31%**	**3.61%**	**1.46%**	**0.28%**	**2.91%**

Source: USDA September WASDE Report, September 12, 2017

The United States meat production increases for 2017 (by percentage increase) are projected to come from beef (+5.3%), pork (+3.6%), and broilers (+1.5%). Production estimates for beef in the September estimates declined by 0.52 per cent from the August estimates reflecting a slower expected marketing pace for fed cattle marketed in the second half of 2017. (Source: USDA WASDE)

United States current crop projections for September have projected the harvested corn acreage at 83.5 million acres, down from 86.7 million acres the previous year, but unchanged from the August estimates. Corn yields were estimated at 169.9 bushels/acre, up 0.4 bushels/acre from 169.5 bushels/acre in the August estimates. USDA corn production was estimated at 14.184 billion bushels, up 31 million bushels from August, but down 964 million bushels or over six per cent from the previous year. USDA corn yield projections were 2.1 bushels/acre higher than the trade estimates; while total production was 184 million bushels higher than the trade estimates. While beginning corn stock estimates were reduced to 2.350 billion bushels; higher corn production estimates combined with lower ethanol and industrial corn usage will cause ending corn stocks to increase 2.7 per cent to 2.335 billion bushels; compared to the August estimates.

U.S. Soybean production for the September estimates were projected at 88.7 million acres harvested, up from 82.7 million acres the previous year, but unchanged from the August estimates. U.S. soybean production is estimated at 4.431 billion bushels, up 50 million bushels or 1.1 per cent from the August estimates; and up 2.9 per cent from production a year ago. USDA raised the estimated soybean yield in September to 49.9 bushels/acre, up 0.5 bushel/acre from 49.4 bushels/acre in August. USDA soybean yield projections were 1.2 bushels/acre higher than the trade estimates; while total production was 110 million bushels higher than the trade estimates. Ending soybean stocks are projected to remain unchanged from the August estimates at 475 million bushels; but will increase 37.7 per cent from the ending stocks of 345 million bushels a year ago.

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